potential repercussions, review by the Court of any expansion of the statutory definition of patent infringement is especially important.

## ARGUMENT

It is a longstanding tenet of U.S. patent law that patent infringement is actionable only if it occurs within the territorial jurisdiction of the United States. As early as 1856, the Court explained that U.S. patent laws do not have extraterritorial effect: "these acts of Congress do not, and were not intended to, operate beyond the limits of the United States." *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 195 (1856). Thus, when Congress enacted section 271(a) of the Patent Act in 1952, it expressly declined to give the provision extraterritorial effect and defined patent infringement as making, using, offering to sell, or selling any patented invention, without authority, "within the United States." *See* 35 U.S.C. § 271(a).

In *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972), the Court reiterated the territorial limitations of the U.S. patent laws. Addressing whether section 271(a) prohibited Deepsouth from exporting the components of a patented shrimp deveining machine for assembly and sale abroad, the Court concluded that Deepsouth did not "make" the machine "within the United States" because the component parts were not assembled here. *Id.* at 522.[4] After noting "that what is at stake here is the right of American companies to compete with an American patent holder in foreign markets," the Court observed that "[o]ur patent system makes no claim to

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[4] Congress subsequently amended section 271 to define as an infringing act the export, without authority, from the United States of a substantial portion of the components of a patented invention if the intent is to combine the components outside the United States and such combination would constitute a patent infringement if it occurred within the United States. *See* 35 U.S.C. § 271(f).

extraterritorial effect." *Id.* at 531. The Court further explained: "To the degree that the inventor needs protection in markets other than those of this country, the wording of 35 U. S. C. §§ 154 and 271 reveals a congressional intent to have him seek it abroad through patents secured in countries where his goods are being used." *Id.*

The Court has not had occasion to revisit the territorial scope of section 271(a) since its 1972 decision in *Deepsouth*. This case presents an opportunity for the Court to address whether and to what extent section 271(a) applies to transnational technology systems with components both within and outside the United States, a technological circumstance that was not contemplated when Congress enacted section 271(a).

The Federal Circuit's decision below holds that systems, wherever or however located, are "used" in the location where the system "as a whole is put into service, *i.e.*, the place where control of the system is exercised and beneficial use of the system obtained." Pet. App. 55a. By separating use of a system from its location, this interpretation potentially subjects to U.S. patent liability a class of foreign and transnational systems that never otherwise would have been within the reach of U.S. patent laws.

In considering whether the BlackBerry system is used within the United States for purposes of section 271(a), the Federal Circuit acknowledged that the Canadian situs of the BlackBerry Relay presented "an added degree of complexity" to the interpretation of the statute and that "it is unclear from the statutory language how the territoriality requirement limits direct infringement where the location of at least a part of the 'patented invention' is not the same as the location of the infringing act." *Id.* at 49a, 52a.

Distinguishing *Deepsouth*, the Federal Circuit based its decision on reasoning found in a 1976 Court of Claims case: *Decca Ltd. v. United States*, 544 F.2d 1070 (Ct. Cl. 1976). In *Decca*, which considered a radio navigation system that used

two receivers in the United States and a third in Norway, the Court of Claims ruled that the navigation system was not "made" within the United States because one of the key elements of the system was located outside the United States, but that the system was "used" within the United States. The Court of Claims tied its holding to the "ownership of the equipment by the United States, the control of the equipment from the United States and . . . the actual beneficial use of the system within the United States." *Id.* at 1083. Relying on *Decca*, the Federal Circuit thus held that "use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, *i.e.*, the place where control of the system is exercised and beneficial use of the system is obtained." Pet. App. 55a.

In construing the statutory term "use[] . . . within the United States," the Federal Circuit distinguished between patented methods or processes and patented systems. In contrast to systems, which it concluded can be used within the United States even if all the component parts are not within the United States, the Federal Circuit reasoned that "a process cannot be used 'within' the United States as required by section 271(a) unless each of the steps is performed within this country." *Id.* at 57a. The distinction between method/process claims and system claims can be fairly subtle, and the court's decision elevates the importance of distinguishing between the two types of claims, which may create ambiguity and uncertainty in the application of the section 271(a).

The Federal Circuit's holding regarding when patent infringement occurs within the United States represents a novel application of U.S. patent law and one with unpredictable and potentially unintended consequences for future cases. Since the enactment of section 271(a) in 1952, the Digital Age has revolutionized how people communicate and do business. Increasingly, we have come to expect and depend on mobile, instantaneous, wireless, access to voice, email, and data trans-

mission services. Given the nature of such systems, users can be far removed from the system's hardware components, and components communicating with one another wirelessly can be far removed from one another, in many cases spanning international borders. These technological advances, together with the much-discussed globalization of national economies, ensure that the application of U.S. patent laws and their foreign counterparts to transnational technology systems will be a recurring issue of vital importance to technology companies located worldwide and to the millions of users of such systems around the world. The BlackBerry system is not the only transnational technology system and certainly will not be the last.

Because all appeals relating to the interpretation of the U.S. patent laws lie in the Federal Circuit, there is and will be no split of authority between the circuit courts of appeals on this issue. This issue nonetheless merits the Court's review. Unless the Court grants the writ of certiorari, the decision below will prescribe the governing legal standard on the subject. Given the importance of the issue to the development of the global communications and technology market, it is important that the Supreme Court, not the Federal Circuit, should make the final determination respecting the application of section 271(a) to transnational systems.

* * *

Plenary review of the Federal Circuit decision is especially appropriate here, where domestic, foreign, and international law may be implicated. The international intellectual property law regime dates back to the Paris Convention, to which both the United States and Canada are parties.[5] The Paris Conven-

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[5] Paris Convention for the Protection of Industrial Property, opened for signature March 20, 1883, as revised at Stockholm July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305.

tion and the intellectual property law regime that developed from it are premised on territorial limitations. *See, e.g.*, Graeme B. Dinwoodie, *The Architecture of the International Intellectual Property System*, 77 Chicago-Kent L. R. 993, 996 (2002) ("Territoriality of rights is a fundamental premise of classical international intellectual property law.").

Moreover, the Court has cautioned that statutes should be construed, whenever possible, to avoid interference with the sovereign authority of other nations and in a manner that is consistent with customary rules of international law. *See F. Hoffman-La Roche Ltd. v. Empagram* S.A., 542 U.S. 155, 164 (2004); *Murray v. Schooner Charming Betsy*, 6 U.S. 64, 2 Cranch 64, 2 L. Ed. 208 (1804) ("[A]n act of Congress ought never to be construed to violate the law of nations if any other possible construction remains"); *Hartford Fire Ins. Co. v. California*, 509 U.S. 764, 817, 125 L. Ed. 2d 612, 113 S. Ct. 2891 (1993) (Scalia, J., dissenting) (identifying rule of construction as derived from the principle of "prescriptive comity"); *Restatement (Third) of Foreign Relations Law of the United States* §§ 403(1), 403(2) (1986) (limiting the unreasonable exercise of prescriptive jurisdiction with respect to a person or activity having connections with another State). As the Court recently explained in *Empagran*: "This rule of statutory construction cautions courts to assume that legislators take account of the legitimate sovereign interests of other nations when they write American laws. It thereby helps the potentially conflicting laws of different nations work together in harmony -- a harmony particularly needed in today's highly interdependent commercial world." 542 U.S. at 164-65.

The Federal Circuit was silent on the implications, if any, of the international intellectual property law regime or of comity on its interpretation of the scope of U.S. patent jurisdiction. Given the importance of the decision to the international community, a careful, explicit consideration of these issues from this nation's highest court would be of great value in providing

much needed clarity and predictability to the application of section 271(a) to patents relating to fast-developing transnational technologies.

## CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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January 2006

MOTION FILED
JAN 3 - 2006

(3)

No. 05-763

IN THE

# Supreme Court of the United States

RESEARCH IN MOTION, LTD.,

PETITIONER,

V.

NTP, INC.,
RESPONDENT.

**On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit**

## MOTION OF THE CANADIAN CHAMBER OF COMMERCE AND THE INFORMATION TECHNOLOGY ASSOCIATION OF CANADA FOR LEAVE TO FILE BRIEF AS *AMICUS CURIAE* AND BRIEF OF *AMICUS CURIAE* IN SUPPORT OF PETITIONER

Date: January 3, 2006 [Counsel listed on inside cover]

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## MOTION FOR LEAVE TO FILE BRIEF AS *AMICUS CURIAE*

Pursuant to Sup. Ct. R. 37.2(b), the Canadian Chamber of Commerce and the Information Technology Association of Canada (ITAC)(collectively, Amici) respectfully move for leave to file the accompanying *amicus curiae* brief in support of the petitioner for a writ of certiorari. The consent of the attorney for petitioner has been obtained. The consent of the attorney for respondent has not been obtained.

Amici submit that the issues presented in this case are of the utmost public interest and importance given the extraterritorial legal issues that arise from the Court of Appeals for the Federal Circuit's (CAFC) expansion of patent infringement under 35 U.S.C. § 271(a) to encompass activities occurring in foreign countries. Because of the important issues at stake, the Court should grant the petition.

The Canadian Chamber of Commerce is a not-for-profit organization that - together with its affiliated Chambers of Commerce and Boards of Trade - represent more than 170,000 members across Canada, including businesses of all sizes, from all technology sectors, and from all Canadian regions. Petitioner Research in Motion, Ltd. (RIM) is a member of the Canadian Chamber of Commerce, but is only one of many members directly engaged in the technology sector of the economy.

ITAC is the voice of the Canadian information and communications technology industry. Together with its affiliated organizations across the country, ITAC represents 1300 companies in the information and communications technology industry, including telecommunications and Internet services, information technology and communications consulting services, hardware, microelectronics, software, and electronic content. ITAC's network of companies accounts for more than 70% of the 550,000 jobs, $130 billion in revenue, $5.2 billion in R&D investment, $18.7 billion in exports, and $10.8 billion in capital expenditure

contributed annually to the Canadian economy. RIM is a member of ITAC, and while two of RIM's executives serve on various ITAC boards, these two individuals serve with numerous other participants and members.

Given that all members of the Canadian Chamber of Commerce and ITAC are engaged in business with the technology sector, the questions at issue here affect the business interests of all of the members. In addition, because Canadian businesses increasingly take a global approach to their commercial dealings, and because of the growth of international electronic commerce, the Canadian Chamber of Commerce and ITAC are interested, on behalf of its members, in ensuring comity and the balanced treatment in the laws affecting commerce between Canada and other countries, including the United States.

Accordingly, the Canadian Chamber of Commerce and ITAC respectfully requests that the Court grant its motion for leave to file the accompanying brief, and consider these arguments during its deliberations.

Respectfully submitted,

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## BRIEF OF THE CANADIAN CHAMBER OF COMMERCE AND INFORMATION TECHNOLOGY ASSOCIATION OF CANADA AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

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### INTEREST OF AMICUS CURIAE

The interests of the *amicus curiae* are described in the accompanying motion for leave to file this brief.[1]

### REASONS FOR GRANTING THE PETITION

The immediate interests of the Petitioners are well expressed in their petition and will not be elaborated upon further here. However, we bring to the Court's attention several immediate concerns that we believe should be addressed in more detail. Specifically, the CAFC has resolved an admitted complex issue of the extraterritorial application of the United States patent laws where portions of a patented system or process occur outside the United States without regard for congressional intent, prior direction from this Court, and international concerns. In addition, the extraterritorial analysis, based as it is on the type of claims in the asserted patent, creates differing results for similar technology merely because of words selected for the invention.

This Court has provided clear direction on how to resolve issues involving the extraterritorial application of United States laws which has been disregarded in this case. Moreover, the

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[1] Pursuant to Supreme Court Rule 37.6, Amici state than no counsel for a party authored this brief in whole or in part, and that no person or entity, other than Amici and their counsel, contributed monetarily to the preparation and submission of this brief.

resulting extraterritorial scheme provided by the CAFC – with certain claims in a patent allowed extraterritorial reach, and other claims within the same patent denied extraterritorial reach based on a nebulous control issue – both threatens the integrity of the patent system and the ability for the public to determine the scope of the patent grant. For foreign entities (such as Amici), the resultant uncertainty will stifle technological development, as even negligible activities that happen to touch on the United States may come under scrutiny from the United States patent system. For these reasons the Court should grant the petition to clarify the extraterritorial reach of the United States patent laws.

## INTRODUCTION

The CAFC appropriately notes that the situs for infringement under 35 U.S.C. § 271(a) is activity occurring "within the United States." The decision below, however, presents differing standards for determining section 271(a)'s extraterritorial reach based on differing notions of physical location. For system claims, infringement liability does not depend on the actual physical location of each patented component, but instead on where the system as a whole is "put into service" – "the place where control of the system is exercised and beneficial use of the system is obtained." Pet. App. at 55a (*citing Decca Ltd. v. United States*, 544 F.2d 1070, 1083 (Ct. Cl. 1976)). For method claims, however, infringement liability occurs not by looking at where the method as a whole is performed, but instead by analyzing the location where each component step occurs. *Id.* at 55a-57a.

As stated, this bifurcated infringement determination raises two issues that require scrutiny by this Court. By ignoring physical location for infringement of system claims, the CAFC has expanded the reach of infringement under 35 U.S.C. § 271(a) to encompass foreign activities, seemingly without any consideration of this Court's long-standing precedent on the extraterritorial reach of U.S. laws. Also, by parsing out extraterritorial infringement

depending on the *type* of claims in a patent (allowing an extraterritorial reach for system claims but not for method claims), the CAFC has introduced uncertainty wherein infringement for an "invention" may or may not exist solely based on the form of a claim, even though those claims contain the same technical limitations.

## I. THE EXTRATERRITORIAL EFFECTS OF INFRINGING ACTIVITIES SHOULD TAKE INTO ACCOUNT ESTABLISHED PROCEDURES, JUDICIAL PRECEDENT, AND INTERNATIONAL CONCERNS

In *Person's Co., Ltd. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990), the CAFC recognized the difficulty of applying complex factual situations to determine the extraterritorial reach of the law:

> When the law has been crafted with the clarity of crystal, it also has the qualities of a glass slipper: it cannot be shoe-horned onto facts it does not fit, no matter how appealing they might appear.

*Id.* at 1570 (denying the extraterritorial reach of "commercial use" under the Lanham Act). A similar situation is presented in this case: the patent laws of the United States expressly require that infringing activities occur "within the United States." 35 U.S.C. § 271(a) But the facts of this case do not necessarily fit this geographical partition, because activities required for infringement physically occur both in the United States and in foreign countries. As noted by the CAFC:

> This case presents an added degree of complexity, however, in that: (1) the patented invention is not one single device, but rather a system comprising multiple distinct components or a method with multiple distinct steps; and (2) the nature of those

> components or steps permits their function and use to be separated from their physical location.

Pet. App. at 49a. Both Petitioners and Respondents have analyzed the statutory construction of the phrase "within the United States," and the CAFC's analysis of "use" infringement in different contexts depending on the type of claim presented by the patentee. Amici argue, however, that a more central issue is raised by the CAFC's decision: by "shoe-horning" a complex fact pattern into the limited reach of the patent laws, the CAFC may have shattered the glass slipper. The decision below extends or denies extraterritorial reach based on the skills of a patent drafter and on complex judicial determinations of "control" and "beneficial use." And, of interest to Amici, it has done so without consideration or review of congressional intent, this Court's prior ruling (and cautionary admonition) on the extraterritorial reach of the patent laws, and without taking into account the sovereign aspects of extraterritorial actors.

This Court is thus presented with the issue of whether section 271(a) should be enforced extraterritorially in today's technological environment, where actual physical acts often cross geographic borders, despite clear language to the contrary. This issue thus squarely implicates the need to "protect against unintended clashes between our laws and those of other nations which could result in international discord." *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991)("*Aramco*")(citing *McCulloch v. Sociedad Nacional de Marineros de Honduras*, 372 U.S. 10, 20-22 (1963)). The CAFC's decision in a case with "an added degree of complexity" – finding the extraterritorial reach of infringing "uses" dependent on the *specific type of patent claim* – reaches conclusions both for and against extraterritoriality without any consideration whatsoever for congressional intent, foreign laws, and the "clash" between the United States patent system and those of other countries.